

POLITICAL

OXALIC ACID—"MADE IN AMERICA"

Washington, Aug. 17, (Special Correspondence). Oxalic acid is used in tanning, calico printing, woolen and silk dyeing, and various bleaching processes, especially the bleaching of straw hats and bonnets. The laundries also use nearly 3,000,000 pounds a year in whitening shirts and collars. From eight to ten million pounds are annually consumed in this country, and prior to 1903 it all came from Germany, England, Norway, Belgium and Austria, which countries had combined to form a syndicate to control the price all over the world. Prices to the United States at that time ranged from 8 to 11 cents a pound. The syndicate was controlled by Germany, from which came three-fourths of the acid.

In 1903 the manufacture of oxalic acid was undertaken on a small scale, experimentally, in this country, the plant being located in Pennsylvania. No sooner did the construction of this plant come to the attention of the syndicate than prices dropped, in 1903 to 4.7c; 1904, 4.6c; 1905, 4.7c; 1906, 5.2c. This sort of price-cutting knocked the American company out of the ring, and immediately the oxalic syndicate raised the price to 7½c, and in 1907 to 9c. In 1908 the American company made another start, and the syndicate dropped the price to 6½c.

The Republican revision of the tariff was up about that time, and the American company presented figures which induced congress to give a protective duty of 2c a pound on oxalic acid. This duty was based solely on the difference in cost of common labor at home and abroad, per pound of product, and did not take into account the overhead charges and selling costs. When this went into effect the foreign price went to 7¼c, where it remained through 1910, 1911, and 1912. By some pretty close figuring the American company was able to operate at a profit, and it acted as a check on the foreign syndicate methods of price controlling. A large share of the annual consumption was being manufactured in the United States, the only money going abroad was for the purchase of potash, the raw material; American labor was being employed at wages which enabled the men to be good customers of the clothier and the food producer, and the country was the possessor of a new industry, which would, if properly fostered, render us wholly independent of Germany.

Then came the destructive tariff legislation of the Democratic party, which sneaked into the capitol through a crack in the protective party wall. The duty on oxalic acid was cut 25 per cent. This was too low for protection, but it gave the foreign syndicate the opportunity it sought to dump oxalic acid on this market, and they lost no time in taking advantage of it. The first quarter of the fiscal year 1914, under Republican law, 1,600,000 pounds were imported; the second quarter, when the Underwood law took effect, 1,720,260 came in; the third quarter, 2,600,000; the fourth quarter, 2,850,000 pounds. Then came the war, acting as a shock. Even yet, however, the importations for the ten months ending April, 1915, amounted to 4,300,000 pounds. If that cent and a half duty remains in the law when the war has ended, Germany will hand the American company a side-winder from which it will never recover, and another skeleton will be found lying alongside the Democratic trail.

At the close of business, Saturday, August 7, the net balance in the general fund of the United States Treasury was \$65,744,940 as compared with \$131,627,458 on the same date two years ago, under Republican laws. The deficit for the present fiscal year from July 1 to August 7 was \$18,452,200.

Philip M. Clark, a Progressive leader in Massachusetts who, only two years ago, was able to poll 25,000 votes when a candidate for district attorney in his county, has come back to Republican ranks. In a letter to the Republican State Committee he warns his former Progressive party associates against confusing their ideals with "the continued existence of a political party which the people have decided to discard. Those who led the Progressive party in its early days no longer lead; those who control its organization and shape its course fail absolutely to inspire confidence; its voter have vanished." Mr. Clark declares his continued faith in Progressive principles, but believe they can be enacted into law through the Republican party. "The Democratic party," he says, "is at heart reactionary; the best proof is its record in the southern states where its control has been absolute for years. The Republican party, on the other hand, has a splendid record of progressive legislation, accomplished not only in Massachusetts but throughout the country. Recruited as it is by the return of thousands of Progressives who have every opportunity under our direct primary law to make themselves felt in its conventions and in the selection of its candidates, it should be the party of constructive accomplishment in the future."

Recent events have shed new light on the practice of selling American products at one price at home and at another price abroad. A few years ago there was much criticism of some manufacturing concerns which, in order to keep men employed and factories running full capacity, produced more goods than the home market would absorb and sold the surplus abroad at a reduced price. The reduced price was necessary in order to sell the goods in competition with the foreign producer. Now, it appears, the U. S. Steel corporation is selling much of its product abroad at higher prices than received at home. In the former instance, as at present, the foreign sales gave employment to American labor and furnished a market for American raw material. Formerly, the American manufacturer had to undersell his foreign competitor in the foreign market. Now the European war has cut off the competition. In the days when the surplus product was marketed at a cut price abroad, the wage earner received no less than he does today. All of which is food for thought among men who are interested in the problem of finding a job for the American workman whether a war is raging in Europe or not.

A correspondent of the Chicago Tribune raises a question of extreme pertinence at this time when everybody is being called upon to "sustain the president". He points out—what happens to be the fact just now—that "in a five cornered presidential contest the winner may receive barely two-fifths of the entire vote. He may represent theories that are incorrect and at variance with the other three-fifths, which if put into effect might injure the country. Should such a president ignore congress and put his theories into effect," he asks, "must I follow him?"

C. S. Hammond, writing to the New York Tribune from Fostoria, Iowa, says that "Wilson is the only asset the Democrats have." This is doubtless true—and it argues the bankruptcy of the Democratic party. The country cannot afford to pin its hopes upon so slender a chance as that which is bound up in one man only.

The hot weather has plainly been getting on Secretary Redfield's nerves and, when criticised for the manner in which he is conducting the "investigation" of the Eastland disaster, he bursts into what the despatches describe as "a heated speech." We can easily believe the story. It

is typical of the department chiefs in this administration. Any one of them thinks a speech or an open letter is the one perfect remedy and the one adequate defense for anything. What the country wants is fewer speeches and more action.

Certain localities continue to receive the stimulus of war orders. Pittsburg's recent share of contracts aggregates \$80,000,000, virtually all for railway equipment. Secretary Nordman of the Pittsburg Foreign Trade commission states that he has turned over to firms in other cities several large orders for munitions such as rifles and cartridges, which are not manufactured in the Pittsburg district. A \$25,000,000 contract for rifles, accoutrements and ammunition is to be let among Denver manufacturers provided they can handle such a large order. The Newhouse mills in New York City have received a contract from the Italian government for blankets, the majority of them to be eight and one-half pounds weight, 500,000 to be delivered in October. The American Woolen company has also received a large order for blankets from the same government. Orders such as this account largely for the high prices of wool. Efforts of the allies to place a \$29,400,000 order for picric acid in St. Louis have failed because of inability of manufacturers there to supply such a demand, but several of the St. Louisians are contemplating the establishment of a picric acid plant in New Jersey. Picric acid sells at \$1.50 a pound, an advance of one dollar since the war.

Some practitioners administer strong stimulants to their patients in the belief that the artificial strength thus derived will enable them to tide over a crisis. It is hoped that war orders will act in like manner on our national industries, that they may pass through the crisis of a Democratic administration.

"When the war ends, all European countries will be organized on a syndicate basis. Their industries will be more centrally controlled. They must get on their feet as soon as possible. Foreign trade will be needed more than ever and it must be secured at the least possible expense."

This is a statement made in the Manufacturers' News by a western man who stands high in the business world. Mr. J. Pierpont Morgan, Jr., recently returned from abroad, declares that the European war cannot last more than a year longer. Considering these two statements, where will this country "get off at" under a Democratic tariff for revenue only? A Republican protective tariff law will be required to hold back the flood of foreign-made, syndicate-selling goods. Remember that on election day, 1916.

Mr. Redfield says he is going to investigate the steamboat inspection service for the last fifteen years. We imagine that the kind of steamboat inspection in vogue in 1900 will be fascinating information for survivors of the Eastland horror. The kind of inspection in vogue on the Great Lakes in 1915 will be much more interesting—even though it is embarrassing to Mr. Redfield.

"Dry" states are reported to be puzzled to determine what constitutes "near-beer." May we aid them? "Near beer" bears the same relation to the beverage as ordinarily brewed that Secretary Redfield's "prosperity" does to the real article.

The month of July, noted, among other things, for marvellous "prosperity," especially in "war order" lines, managed, nevertheless, to produce a fruitage of 1,739 commercial failures, with liabilities of more than \$18,000,000. This was 300 more failures than were reported in July, 1914.